

The Honorable Marsha J. Pechman



10-CV-00564-REQ

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

In re CELL THERAPEUTICS, INC.,
DERIVATIVE LITIGATION

Master Docket No. C 10-564 MJP

This Document Relates To:

ALL ACTIONS

~~[PROPOSED]~~ FINAL JUDGMENT AND
ORDER OF DISMISSAL

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OF DISMISSAL
Master Docket No. C 10-564 MJP

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1 This matter came before the Court for hearing pursuant to the Order Preliminarily
2 Approving Settlement and Providing for Notice of this Court, dated December 26, 2012
3 ("Preliminary Approval Order"), on the application of the Settling Parties for approval of the
4 Settlement set forth in the Stipulation of Settlement dated November 6, 2012 (the "Stipulation").
5 Due and adequate notice having been provided to Current CTI Shareholders as required in the
6 Preliminary Approval Order, and the Court having considered all papers filed and proceedings
7 had herein and otherwise being fully informed in the premises and good cause appearing
8 therefore, IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that:

9 1. This Judgment incorporates by reference the definitions in the Stipulation, and all
10 capitalized terms used herein shall have the same meanings as set forth in the Stipulation.

11 2. This Court has jurisdiction over the subject matter of the Action, including all
12 matters necessary to effectuate the Settlement.

13 3. The Court finds that the Settlement provides substantial benefits to CTI and is
14 fair, reasonable, and adequate as to each of the Settling Parties, and hereby finally approves the
15 Settlement in all respects. The Court orders the Settling Parties to perform the Settlement's terms
16 to the extent the Settling Parties have not already done so.

17 4. The Action and all claims contained therein, as well as all of the Released Claims,
18 are dismissed with prejudice against each and all Released Persons. As between Plaintiffs, CTI,
19 and the Individual Defendants, the Settling Parties are to bear their own costs, except as
20 otherwise provided in the Stipulation and this Judgment.

21 5. Upon the Effective Date, Plaintiffs (acting on their own behalf and derivatively on
22 behalf of CTI); CTI, its predecessors, successors, subsidiaries, affiliates, divisions, and assigns;
23 and each of CTI's shareholders (solely in their capacity as CTI shareholders) shall be deemed to
24 have, and by operation of the Judgment shall have, fully, finally, and forever released,
25 relinquished, and discharged the Released Claims against the Released Persons and any and all
26 claims (including Unknown Claims) arising out of, relating to, or in connection with the defense,

1 settlement, or resolution of the Action against the Released Persons, provided that nothing herein
2 shall in any way impair or restrict the rights of any Settling Party to enforce the terms of the
3 Stipulation or the Judgment.

4 6. Upon the Effective Date, each of the Released Persons shall be deemed to have,
5 and by operation of the Judgment shall have, fully, finally, and forever released, relinquished,
6 and discharged each and all of the Plaintiffs, Plaintiffs' Counsel, CTI, the Related Persons, and
7 all CTI shareholders (solely in their capacity as CTI shareholders) from all claims (including
8 Unknown Claims), arising out of, relating to, or in connection with the institution, prosecution,
9 assertion, settlement, or resolution of the Action or the Released Claims. Nothing herein shall in
10 any way impair or restrict the rights of any Settling Party to enforce the terms of the Stipulation
11 or Judgment.

12 7. The Court finds that the Summary Notice of Pendency and Proposed Settlement
13 of Action published in *Investor's Business Daily*, and the Notice of Pendency and Proposed
14 Settlement of Action posted on the website of CTI and filed with the U.S. Securities and
15 Exchange Commission by CTI in a Form 8-K, provided the best notice practicable under the
16 circumstances of these proceedings and of the matters set forth therein, including the Settlement
17 set forth in the Stipulation, to all Persons entitled to such notice, and said notices fully satisfied
18 the requirements of Rule 23.1 of the Federal Rules of Civil Procedure and the requirements of
19 due process.

20 8. The Court finds that during the course of the Action, the Settling Parties and their
21 counsel at all times complied with Rule 11 of the Federal Rules of Civil Procedure and all other
22 similar rules and law.

23 9. The Court has considered the Fee and Expense Application and finds that Co-
24 Lead Counsel for Plaintiffs are entitled to \$ 1.3 million in attorneys' fees and
25 \$ 58,195.07 in reimbursement of expenses.

1 10. The Court hereby approves the Incentive Award of \$1,500 for plaintiff Joseph
2 Shackleton, to be paid from the amount awarded in the Fee and Expense Application, in
3 recognition of his participation and effort in the prosecution of the Action.

4 11. Neither the Stipulation (including any exhibits attached thereto) nor the
5 Settlement, nor any act performed or document executed pursuant to or in furtherance of the
6 Stipulation or the Settlement: (a) is or may be deemed to be, or may be offered, attempted to be
7 offered, or used in any way by the Settling Parties as a presumption, a concession, or an
8 admission of, or evidence of, any fault, wrongdoing, or liability of the Settling Parties or of the
9 validity of any Released Claims; or (b) is intended by the Settling Parties to be offered or
10 received as evidence or used by any other person in any other actions or proceedings, whether
11 civil, criminal, or administrative. The Released Persons may file the Stipulation and/or the
12 Judgment in any action that may be brought against them in order to support a defense or
13 counterclaim based on principles of *res judicata*, collateral estoppel, full faith and credit, release,
14 standing, good faith settlement, judgment bar or reduction, or any other theory of claim
15 preclusion or issue preclusion or similar defense or counterclaim, and any of the Settling Parties
16 may file the Stipulation and documents executed pursuant and in furtherance thereto in any
17 action to enforce the Settlement.

18 12. Without affecting the finality of this Judgment in any way, this Court hereby
19 retains continuing jurisdiction over: (i) implementation of the Settlement; and (ii) the Settling
20 Parties for the purpose of construing, enforcing, and administering the Stipulation and the
21 Settlement, including, if necessary, setting aside and vacating this Judgment, on motion of a
22 party, to the extent consistent with and in accordance with the Stipulation if the Effective Date
23 fails to occur in accordance with the Stipulation.

24 13. No action in regard to Plaintiffs' Fee and Expense Application—including any
25 order of this Court or any potential appellate review of such order—shall affect the finality of
26 any other portion of this Judgment or delay the Effective Date of the Stipulation. The Fee and

1 Expense Application shall be considered separate for the purposes of appellate review of this
2 Judgment.

3 14. Without further order of the Court, the Settling Parties may agree to reasonable
4 extensions of time to carry out any of the provisions of the Stipulation.

5 15. This Judgment is a final, appealable judgment and should be entered forthwith by
6 the Clerk in accordance with Rule 58 of the Federal Rules of Civil Procedure.

7 IT IS SO ORDERED.

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9 DATED: May 31st 2013


HONORABLE MARSHA J. PECHMAN
UNITED STATES DISTRICT JUDGE

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